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Unemployment Insurance and Agricultural Labor in
Great Britain and Other Foreign Countries

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February 1940

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Unemployment Insurance and Agricultural Labor in Great
Britain and in other Foreign Countries.

The Problem and its Development.

Before the war of 1914-1918 little attention was given to unemployment or under-employment in agriculture abroad. Migration to towns and cities relieved rural districts of their surplus population. The question of insuring agricultural workers against the risk of unemployment, therefore, received little or no consideration even in those countries which provided such protection for workers in other industries or trades.

In the years following the war, and especially after 1929, unemployment and under-employment increased on the farm and in rural regions not only because of the unprecedented agricultural depression, but also because general economic stagnation cut off the former industrial and commercial employment opportunities for surplus rural population. In fact, after 1929 the rural-urban movement was reversed as the unemployed in industry returned from urban centers to the farm and rural regions. To aggravate the labor-surplus problem in the farming communities, rationalization and industrialization of farming further reduced employment opportunities.^{1/}

Even countries like Austria, France, Czechoslovakia and Germany, where agricultural unemployment had been insignificant before 1929, were confronted with this problem of agricultural unemployment. The situation

^{1/} The reduction in 1931 of the sugar-beet area in Germany by 30 per cent and the change of plough-land into grass land in the Netherlands are two examples of rationalization which adversely affected the agricultural labor market.

in Germany was especially significant. For many decades not only was agricultural unemployment unknown there, but a shortage of farm laborers had been the rule during the summer months when more than 100,000 alien farm workers were admitted to work the harvest. Yet by 1930 an average of more than 100,000 agricultural and forestry workers were reported out of jobs. This figure grew to more than 150,000 in 1931 and was probably larger in 1932. Seasonal migratory farm workers from countries like Czechoslovakia and Poland began to feel the pinch of unemployment as Austria, Denmark and Germany systematically reduced the number of permits to alien workers seeking employment in agriculture. Germany finally closed its frontiers completely to these migrants in 1932.

But even before the world-wide industrial and agricultural depression which began in 1929-30, international attention began to be focused on schemes for relief and prevention of agricultural unemployment. At the first session of the International Labor Conference in 1919 and at its 1921 meeting, recommendations were adopted requesting the Government to set up effective systems of unemployment insurance which were to include agriculture within their scope. Indeed, in 1919, two countries - Italy and Germany - actually adopted unemployment benefit schemes for victims of involuntary unemployment, which included agricultural workers. Changes in 1923 excluded most of the farm laborers from the scope of each of these plans, but they are significant as early efforts to meet the problem of unemployment relief in agriculture through systems of unemployment insurance.

In Great Britain, where unemployment insurance mainly for building and construction workers and for certain specialized crafts was established in 1911, the question of agricultural coverage began to receive attention

in 1920. In that year a committee was appointed by the Agricultural Wages Board "to inquire into the extent to which the Unemployment Insurance Scheme may be made applicable and beneficial to agricultural workers."

The findings and conclusions of this committee were not hopeful. The committee found that there was a general opposition both by employers and workers to the inclusion of agriculture under the general provisions of the Unemployment Insurance Act of 1920, and furthermore, that the information available as to the incidence of unemployment in agriculture was insufficient for the preparation of a special scheme of insurance for agricultural workers.^{1/}

Opinion among organized agricultural workers in Great Britain on the subject of unemployment insurance coverage did not become generally emphatic until a few years later, but some of their leaders pressed the matter further. Accordingly, in 1925, on the recommendation of the Council of Agriculture for England, an Inter-Departmental Committee was appointed "to consider and report whether it is desirable that workers in agriculture should be compulsorily insured against the risk of unemployment, and if so, on what terms and conditions and in what manner the insurance of agricultural workers can be most effectively provided either by the inclusion of agriculture within the scope of existing legislation or by means of new legislation."^{2/} For the most part, the findings and conclusions of the majority of this committee were opposed to those of its predecessor, but the results were similarly negative. The

1/ Report of the Unemployment Insurance Statutory Committee... on the question of the insurance against unemployment of persons engaged in employment in agriculture. London, January 1935, p.5.

2/ Ministry of Agriculture and Fisheries and Scottish Office, Report of the Inter-Departmental Committee on Agricultural Unemployment Insurance, 1926, p. 4.

majority of the Inter-Departmental Committee agreed that the risk of unemployment in agriculture could not be ignored and that therefore the principle of unemployment insurance for agricultural workers should be extended. However they concluded that the terms and conditions of the general Unemployment Insurance Act were inapplicable to agriculture and that insurance against the risk of unemployment in agriculture could be fairly provided only by new ^{1/}legislation.

As unemployment in agriculture mounted, a very definite demand developed on the part of organized agricultural workers of Great Britain for unemployment insurance. The Scottish Farm Servants' Union, which had repudiated the idea of unemployment insurance for agricultural workers in 1924, changed its position and in 1930 unanimously adopted a resolution instructing its executive committee "to use every effort to induce the Government to introduce an Act to bring farm workers under some scheme of unemployment insurance in view of the increase of unemployment amongst farm workers." ^{2/}This stand was vigorously supported by the National Union of Agricultural Workers, the Transport and General Workers' Union and the Trade Union Congress, and late in 1930 the Government appointed a third investigating commission to consider among other things, the question whether agriculture should be included in the scope of the Unemployment Insurance Acts.

1/ International Labour Office, Unemployment Insurance and Various Forms of Relief for the Unemployed, International Labour Conference, 17th Session, Geneva 1933, pp. 37-38.

2/ The Scottish Farm Servant, June 1925 and July 1930; cited in I. L. O., Ibid., p. 33.

The conclusions of the majority of the Royal Commission on Unemployment Insurance, which reported in 1932, were almost identical with those reached by the Inter-Departmental Committee six years earlier. It stated that "there are strong arguments for the extension of unemployment insurance to agriculture", but, "in view of the difficulties involved in the question" it did not recommend the inclusion of agriculture in the general insurance scheme. The Commission suggested, however, that a Statutory Committee be set up to explore, among other things, "the possibility of devising a special scheme of insurance for agriculture." Such a committee was established by the amendatory Unemployment Act of July 1934.

The newly created Unemployment Insurance Statutory Committee was instructed to study the question of unemployment insurance for persons in agriculture and report to the Ministry of Labor for presentation to Parliament. In surveying the field again, the Statutory Committee took into account the findings and views of the three other committees which previously had reported on the problem. In its report of December 1934 it concluded that the system for agriculture should be separate from the general system for industry. Its reasons for the conclusion were as follows: ^{1/}

1. The contribution required under the general system for industry was too high and would be too excessive for agricultural workers in relation to their money wages;
2. The benefits under the general system would often approach or exceed the wages earned in a full week of agricultural employment;

^{1/} Report of the Unemployment Insurance Statutory Committee on the question of the insurance against unemployment of persons engaged in employment in agriculture, London, January 1935, pp. 16-18. See also, Wilbur J. Cohen, "Unemployment Insurance and Agricultural Labor in Great Britain," Pamphlet Series No. 52, Committee on Social Security of the Social Science Research Council, Washington, February, 1940, pp. 5-6.

3. The unemployment rate in agriculture was substantially less than in insured industries as a whole and, as a result, the excess of contribution income over benefit payments would go to other industries;
4. It would be unfair to use any surplus in the agricultural system to retire the accumulated debt of the general system because agricultural workers had not drawn any of the benefits represented by this debt.

The Statutory Committee recommended a self-contained financial system of unemployment insurance for agricultural workers which formed the basis of the first nation-wide compulsory scheme in any country covering the majority of workers in the industry. Thus, after 14 years of discussion, investigation and agitation, the British Agricultural Unemployment Insurance Act became law on April 9, 1936. The following section summarizes its provisions.

11. The Unemployment Insurance (Agriculture) Act of Great Britain. ^{1/}

A. Coverage

The British Agriculture Unemployment Insurance Act of 1936, as amended, extends coverage to workers employed under a contract of service in agriculture, horticulture and forestry, to private gardeners, certain outdoor servants, and to private chauffeurs employed for horticultural or farm establishments. ^{2/}

^{1/} The summary under this head is based on an analysis of the Act prepared for the Committee on Social Security of the Social Science Research Council, by Wilbur J. Cohen in a pamphlet entitled "Unemployment Insurance and Agricultural Labor in Great Britain". (Pamphlet Series No. 2, February 1940).

^{2/} The original Act excluded private gardeners, out-door servants and private chauffeurs employed for horticultural or farm establishments, but by statutory orders of the Minister of Labor, which were approved by Parliament in 1937 and 1938, these categories of workers were brought within the scope of the Act.

The employment of family members of the employer (husband, wife unpaid child labor and other relatives of the employer) are excepted from the Act. Also excluded from the law are persons not ordinarily resident in the United Kingdom and those 65 years of age and over. The latter two groups do not pay contributions nor do they receive benefits, but in order that there should be no premium on their employment, their employers are obliged to pay contributions on their behalf and the government pays an amount equal to one-half of the employer's contribution. The arrangement regarding non-resident workers is aimed largely at excluding from the law migratory laborers from Eire, although the provision also applies to a number of other workers. With regard to employment of persons between 14 and 16 years of age, contributions are paid by the worker, employer and the government, but no provision is made for the payment of benefits.

The Act also stipulates that occupations regarded as subsidiary employment only may be excepted from its provisions. The Minister of Labor has ruled that the following occupations are in this class and the ruling is provisionally in force: a) in employment in the harvesting or gathering of flowers, fruit, peas or potato or in the tying, training or picking of hops or the peeling of onions; b) in employment as a milker; and c) in employment in Scotland involving part-time service only on or in connection with a pasture or grazing held in common.^{1/}

^{1/} These provisional regulations are being considered now by the Unemployment Insurance Statutory Committee which, as yet, has not reported on them finally. The Agricultural Act, however, amended the general Unemployment Insurance Act of 1935 to provide that persons whose principal means of livelihood came from an occupation designated as "subsidiary", or who are normally employed in insurable occupations or in occupations that would make them employed persons within the meaning of the two Acts, shall be deemed to be insurable persons under the Acts.

The Act applies only to England, Wales and Scotland, but there is a similar scheme in Northern Ireland which has complete reciprocity with the British scheme. Under this reciprocal arrangement, Northern Irish laborers receive benefits on the basis of contributions paid in Great Britain where special unemployment books are issued to them.

B. Contributions and Benefits

Contributions under the agricultural unemployment insurance system, like those under the industrial system, are based upon a tripartite division: one-third of the total rate is paid by the employer, one-third by the worker, and one-third by the government. Contributions began on May 4, 1936, less than a month after the Agricultural Act was signed and benefits became payable November 5, 1936, or six months after contributions began. The schedule of contribution rates and of benefits vary according to age and sex. Contribution rates for persons over 17 years of age were decreased between the initial date and July 5, 1942, but thereafter they will rise. The initial contribution rates and subsequent changes are shown in Table 1, and the total weekly contributions and benefits for 1936 and 1939 are shown in Table 2.

Table 1. Total Weekly Contribution Rates Under the British Unemployment Insurance System for Agricultural Workers

| Effective dates | Age | Rates (in pence) | | a/ |
|-----------------|------------------|------------------|-------|----|
| | | Men | Women | |
| May 4, 1936 | : Under 16 years | : 4½ | : 3 | |
| through | : 16 and 17 " | : 6 | : 4½ | |
| July 3, 1938 | : 18 - 20 " | : 12 | : 10½ | |
| | : 21 - 64 " | : 13½ | : 12 | |

a/ Equal shares from employers, employees and the government.

Table 1 (cont'd)

| | | | | | |
|---|------------------|---|-----------------|---|-----------------|
| July 4, 1938 through July 2, 1939 | : Under 16 years | : | $4\frac{1}{2}$ | : | 3 |
| | : 16 and 17 " | : | 6 | : | $4\frac{1}{2}$ |
| | : 18 - 20 " | : | $10\frac{1}{2}$ | : | 9 |
| July 3, 1939 through July 5, 1942 | : 21 - 64 " | : | 12 | : | $10\frac{1}{2}$ |
| | : Under 16 years | : | $4\frac{1}{2}$ | : | 3 |
| | : 16 and 17 " | : | 6 | : | $4\frac{1}{2}$ |
| July 6, 1942 and thereafter | : 18 - 20 " | : | $7\frac{1}{2}$ | : | 6 |
| | : 21 - 64 " | : | 9 | : | $7\frac{1}{2}$ |
| | : Under 16 years | : | $4\frac{1}{2}$ | : | 3 |
| | : 16 and 17 " | : | 6 | : | $4\frac{1}{2}$ |
| | : 18 - 20 " | : | 9 | : | $7\frac{1}{2}$ |
| | : 21 - 64 " | : | $10\frac{1}{2}$ | : | 9 |

Source: W. J. Cohen, Unemployment Insurance and Agricultural Labor in Great Britain. (Pamphlet Series No. 2), Committee on Social Security,

Table 2. Total Weekly Contributions and Benefits Under the British Unemployment Insurance system for Agricultural Workers, 1936 and 1939

| Age and sex of insured persons | 1936 | | | | 1939 | | | |
|--------------------------------|-----------------------------|-----------------|------------------------|---|-----------------------------|----------------|------------------------|---|
| | Contributions ^{a/} | | Benefits ^{b/} | | Contributions ^{a/} | | Benefits ^{b/} | |
| | s | d | s | d | s | d | s | d |
| Under 16 years | | | | | | | | |
| Men | 0 | $4\frac{1}{2}$ | none | | 0 | $4\frac{1}{2}$ | none | |
| Women | 0 | 3 | none | | 0 | 3 | none | |
| 16 years | | | | | | | | |
| Men | 0 | 6 | 4 | 0 | 0 | 6 | 5 | 0 |
| Women | 0 | $4\frac{1}{2}$ | 3 | 6 | 0 | $4\frac{1}{2}$ | 4 | 0 |
| 17 years | | | | | | | | |
| Men | 0 | 6 | 6 | 0 | 0 | 6 | 7 | 6 |
| Women | 0 | $4\frac{1}{2}$ | 5 | 0 | 0 | $4\frac{1}{2}$ | 6 | 0 |
| 18 - 20 years | | | | | | | | |
| Men | 0 | 12 | 10 | 6 | 0 | $7\frac{1}{2}$ | 13 | 0 |
| Women | 0 | $10\frac{1}{2}$ | 9 | 6 | 0 | 6 | 10 | 0 |
| 21 - 64 | | | | | | | | |
| Men | 0 | $13\frac{1}{2}$ | 14 | 0 | 0 | 9 | 15 | 0 |
| Women | 0 | 12 | 12 | 6 | 0 | $7\frac{1}{2}$ | 13 | 0 |

^{a/}Equal shares from employers, employees and the government.

^{b/}Additional weekly allowance for dependents 1939; one adult, 9 s., each child 3 s., with maximum total benefit of 33 s. per week. In a later report, the Unemployment Insurance Statutory Committee recommended changes in the existing benefit structure to take effect about April 15, 1940, or at such time around April 15 as may be found practicable. The recommendation of the Committee is that children's allowances be increased 1 s. a week for the first two dependent children. This will make the allowance for each of the first two dependent children 4 s., and for the third and subsequent children, 3 s. This change affects both the general and the agricultural system, and, if adopted, will raise the maximum weekly rate of benefit under the agricultural system from 33 s. to 35 s. (See, Manchester Guardian Weekly, March 22, 1940, p. 232).

It will be observed that in 1939 under the system for agriculture the contributions for men 21-64 years of age were one-third of those required under the general system, while the agricultural benefits for this group were almost 90 per cent of the benefits under the general system. The benefits under the agricultural system are proportionally larger in relation to contributions than under the general industrial scheme. (See Table 3). It has been held that the lower rate of unemployment in agriculture as compared with industry in general and the fact that agricultural labor could not pay the higher contribution rates required under the industrial scheme justified smaller agricultural contributions, and that the general lower level of money wages in agricultural in comparison with industry justified proportionately higher agricultural benefits in relation to contributions than was the case under the general scheme.

Table 3. Total Weekly Contributions and Benefits Under the General Agricultural Unemployment Insurance Acts in Great Britain 1939

| Age and sex of insured persons: | a/ Contributions | | | | b/ Benefits | | | |
|---------------------------------|---------------------|----|---------|----|----------------|---|---------|---|
| | Agriculture | | General | | Agriculture | | General | |
| | s | d | s | d | s | d | s | d |
| Under 16 years | | | | | | | | |
| Men | 0 | 4½ | 0 | 6 | none | | none | |
| Women | 0 | 3 | 0 | 6 | none | | none | |
| 16 years | | | | | | | | |
| Men | 0 | 6 | 1 | 3 | 5 | 0 | 6 | 0 |
| Women | 0 | 4½ | 1 | 1½ | 4 | 0 | 5 | 0 |

1/ In 1937 the average rate of unemployment in agriculture was slightly over 4 per cent compared with 11 per cent in industry; they were 5.5 per cent and 12.6 per cent respectively in 1938.

a/ Equal shares from employers, employees and the government.

b/ Additional weekly allowances for dependents:

general system - one adult 10 s., each child 3 s., no maximum rate of benefit.

Agricultural system - one adult 9 s., each child 3 s., maximum total benefit of 33 s. per week.

Table 3. (cont'd)

| | s | d | s | d | s | d | s | d |
|---------------|---|-----------------|---|-----------------|----|---|----|---|
| 17 years | | | | | | | | |
| Men | 0 | 6 | 1 | 3 | 7 | 6 | 9 | 0 |
| Women | 0 | 4 $\frac{1}{2}$ | 1 | 1 $\frac{1}{2}$ | 6 | 0 | 7 | 6 |
| 18 - 20 years | | | | | | | | |
| Men | 0 | 7 $\frac{1}{2}$ | 2 | 0 | 13 | 0 | 14 | 0 |
| Women | 0 | 6 | 1 | 9 | 10 | 0 | 12 | 0 |
| 21 - 64 years | | | | | | | | |
| Men | 0 | 9 | 2 | 3 | 15 | 0 | 17 | 0 |
| Women | 0 | 7 $\frac{1}{2}$ | 2 | 0 | 13 | 0 | 15 | 0 |

C. Qualifying Period.

The dependence of agricultural workers on seasonal and casual employment motivated the authors of the act to establish a shorter qualifying employment period for agriculture than that which obtains under the general system. Under the agricultural system an applicant must have paid 20 weekly contributions in the two years preceding the beginning of any benefit year, whereas under the general system an applicant must have paid 30 weekly contributions within a similar period preceding application for benefit. By means of a shorter qualifying period it is hoped that workers wholly dependent on agricultural employment for a livelihood will be covered for practically all of their unemployment and workers partially so dependent, will be covered for some of their unemployment. Also in order to make both the general and agricultural systems uniform and simpler to administer, the waiting period of six days before benefits were payable, provided for in the original Agricultural Act of 1936, was reduced to three days, by an amendment in March 1938.

The duration of an agricultural workers' unemployment benefit is in proportion to the number of contribution credits he has accumulated,

while employed, subject to a maximum of 50 weeks (300 working days) in a benefit year. The formula is two weeks of benefit for the first 10 weekly contributions and one additional week of benefits for each two contributions in excess of the first ten, but in no case more than 50 weekly benefits. A person having only the 20 qualifying weekly contributions could receive benefits for 7 weeks, and a person employed for two years and two weeks (106 weekly contributions) could get benefit for the maximum of 50 weeks. If, however, an insured agricultural worker is employed say, for four years and four weeks (212 weekly contributions), he is still entitled only to the maximum 50 weekly benefits in any one benefit year. By requalifying with 10 other contributions he may begin a new benefit year and draw upon his unexhausted contributions for another 50 weeks.^{1/}

D. Refunds.

From 1936 until 1939 the Agriculture Act provided for a partial refund of employer and employee contributions in cases of "long hirings", that is where the contract of employment was on a semi-annual or annual basis. This provision was inserted for the purpose of encouraging "long hirings" which it was alleged led to a greater stability in employment and reduced the rate of unemployment in Scotland and northern England where such labor contracts prevailed. However, when experience in 1937 and 1938 revealed that the unemployment rate among insured agricultural workers in

^{1/} It should be noted that under the general unemployment insurance system, the ratio rule for the ordinary benefit was abolished in 1928 and since 1934 has applied only to benefits payable beyond the maximum number of benefits during a benefit year. However, the maximum number of weekly benefits in a benefit year under the general scheme is materially smaller than under the agricultural scheme, namely, 26 weeks, except for additional days of benefit.

Scotland was greater than in Great Britain as a whole, the rebate provision was repealed in 1939 and takes effect as of July 3, 1940.

E. Method of Collecting Contributions and Paying Benefits.

Contributions are paid through the purchase of special stamps which are affixed in the unemployment book of the insured worker. Benefits are normally paid to agricultural workers through the public employment offices which are under the Jurisdiction of the Ministry of Labor. Post offices sell the insurance stamps to employers, and where no employment office exists in a locality they serve as centers of registration for the unemployed and receive claims for and make payments of agricultural benefits.

F. Actual Coverage.

In July 1939 about 710,000 persons, or 52 per cent of the gainfully engaged in agricultural pursuits in 1931, were estimated to be insured against unemployment under the agricultural system. About 78 per cent of the agricultural workers were covered. The estimated occupational distribution of insured persons in July 1939 were as follows:

| | |
|---------------------------------------|----------------|
| (a) farming, forestry, etc | 472,670 |
| (b) market gardening and horticulture | 80,370 |
| (c) private gardening | 106,420 |
| (d) other employments | 50,540 |
| Total | <u>710,000</u> |

During the three years 1936, 1937 and 1938 the total contributions from employers, employees and the government amounted to 4,551,510 pounds and the total amount of benefits paid out equaled 1,243,500 pounds. The accumulated 3 year surplus of 72,773,871 pounds at the end of 1938, less the

Statutory Committee to make the following recommendations:

- a) study of the possible liberalization of qualifying conditions and duration of benefits in order to raise the proportion of compensable unemployment from 50 per cent to 70 per cent;
- b) an increase of 1 s. in weekly benefits and an increase of 2 s. in the allowance for an adult dependent, thereby raising the maximum allowed from 30 s. to 33 s. per week;
- c) a permanent reduction of $1\frac{1}{2}$ d. in weekly contributions for workers 18 years and over, and a further $1\frac{1}{2}$ d. reduction limited to the next 3 years, i. e., to July 1942.

G. Relation Between the Agricultural and General Systems.

The in-and out- movement of workers between occupations covered by the general and agricultural unemployment insurance systems and the different qualifying conditions, amounts of contributions and benefits and duration of benefits have necessitated special regulations to determine under which system an individual is insured. The Agricultural Act, therefore, empowers the Minister of Labor to issue regulations in the following cases:

- a) Persons employed by the same employer partly in agriculture and partly in industry may, with the consent of the employed persons, be treated as if they were wholly employed in agriculture, or, with the consent of the employer, as if they were wholly employed in industry;
- b) Where a determination is necessary to establish whether employment is to be considered as agricultural or industrial;
- c) Workers employed by more than one employer in a week are "typed" by the kind of service performed for the first employer of the week, who, even for one day's service, is deemed to be the employer for that week and therefore pays the full weekly contribution;

- d) Subsidiary employment in agriculture may be excepted from the provisions of the Act by the Minister of Labor;
- e) Where workers accumulate credits under both insurance systems, the Ministry of Labor may regulate the payment of benefits under each, but not in a way that both agricultural and industrial benefits are drawn at once; 1/

Below are shown the main points of similarity and contrast between the agricultural and general unemployment insurance systems:

| <u>Statutory provisions</u> | <u>General systems</u> | <u>Agricultural systems</u> |
|-----------------------------|------------------------|-----------------------------|
| Contributions | Flat rates | Flat rates |
| Qualifying period | 30 weeks | 20 weeks |
| Requalifying period | 10 weeks | 10 weeks |
| Waiting period | 3 days | 3 days |
| Benefits | Flat rates | Flat rates |
| Weekly maximum | none | 33 shillings |
| Duration (ordinary) | 26 weeks | 50 weeks |
| Additional days | Provided | none |
| Ratio provisions | none <u>2/</u> | Provided |
| Rebate for "Long Hirings" | none | none <u>3/</u> |
| Financial basis | Equal thirds | Equal thirds |
| Administration | Ministry of Labor | Ministry of Labor |

1/ The fiscal matters separate accounts are kept but they are not legally separated. This arrangement permits a separate analysis of income and expenditure for each of the systems, but at the same time allows allocation of benefits to individuals who might qualify under both systems.

2/ Except for additional days of benefit.

3/ Abolished in 1939.

111. Unemployment Insurance Legislation for Agricultural Workers in Other Foreign Countries.

A. Compulsory Schemes.

Outside of Great Britain, no country has enacted compulsory unemployment insurance legislation exclusively covering agricultural workers. In fact, with the exception of Bulgaria, practically all general systems of compulsory unemployment insurance exclude these groups of laborers. Even Bulgaria covers only some groups of agricultural workers, the majority of the workers in the industry being excluded. The coverage of agricultural workers in this country is restricted by the provision in the Act which specifies that they must be employed on agricultural establishments which are deemed to be conducted on modern lines. Moreover, agricultural seasonal workers are paid benefits only for days lost during the working season and ^{1/} not for those lost during the off-season.

The trend of agricultural coverage in Germany and Italy has been in the direction of complete exclusion. In this report, these two countries have moved in the opposite course from that of Great Britain. In 1919 both Italy and Germany included agricultural workers under their unemployment benefit schemes, but each excluded most of them four years later. Today the Italian compulsory unemployment insurance scheme excludes all ^{2/} agricultural workers, except farm workers operating mechanical equipment.

1/ Franz Huber, Abstract of Unemployment Insurance Legislation in European Countries, (mimeographed), May 1938, Vol 1, pp. 115-116; prepared for the Committee on Social Security of the Social Science Research Council.

2/ J. C. Rocca, "Social Security in Italy", in the American Federationist, December 1939, p. 1306.

In Germany, where the unemployment relief system was reorganized in 1923, all agricultural workers, at first, were obliged to contribute, but later in the same year exemptions were introduced for agricultural workers with long-term labor contracts and for all farm servants. In 1927, all workers usually designated as farm servants were specifically excluded from the Act on Employment Exchanges and Unemployment Insurance. This Act also excluded workers engaged under a written contract of employment of one year or more, and workers engaged under a written contract of employment for an indefinite period who could not be given less than six months notice to leave except for a serious reason.^{1/}

The German Act of 1929 further defined agricultural exclusion. It provided that "employment in agriculture and forestry . . . shall be exempt from insurance if the employed person himself is the owner or tenant of agricultural or forest land of such extent that he and his dependents can live mainly on the produce thereof and if he usually works as an employee for less than half the year."^{2/} The dependents of such owners or tenants were also exempted from unemployment insurance and affected farmers' sons or daughters employed as wage earners on farms belonging to other persons.

As a result of these successive exemptions only about 40 to 50 per cent of all agricultural workers in Germany were insured against unemploy-

^{1/} International Labour Office, Unemployment Insurance and Various Forms of Relief for the Unemployed, International Labour Conference, 17th Session, Geneva, 1933, p. 40.

^{2/} Ibid., p 39.

ment at any given time, even before 1933.^{1/} In October of that year, however, all workers in agriculture were excluded from coverage. This exclusion applies also to seasonal agricultural workers who migrate into Germany from other countries year after year.^{2/}

In Queensland (Australia), the compulsory unemployment insurance law provides for general coverage which nominally includes agricultural workers. However, persons in the various occupations can be covered only by Orders in Council. In September 1930 such an order was issued covering workers employed in the pastoral industry. The New Zealand law also nominally includes farm workers, but since the act provides for a "means test" the procedure for actual coverage is different from that of Queensland.

B. Voluntary Schemes.

Voluntary unemployment insurance schemes specifically or nominally including agricultural workers are in force in the following nine European countries: Czechoslovakia, Denmark, Finland, France, Netherlands, Norway,^{3/} Spain, Sweden, and Switzerland. Under the voluntary schemes of these countries, unemployment insurance is financed by two authorities: the individual insurance carrier or special "unemployment funds" and the national government. Unemployment funds may be set up by grant-in-aid societies, trade

^{1/} Ibid., p. 38.

^{2/} Frans Huber, Seasonal Workers and Unemployment Insurance in Great Britain, Germany and Austria; prepared for the Social Security Board, Bureau of Research and Statistics, Bureau Report No. 4, 1940, pp. 93-95.

^{3/} Norway enacted a compulsory scheme of unemployment insurance in June 1939, but agricultural workers are excluded from its scope. This scheme operates simultaneously with the voluntary arrangement.

unions or any similar group of persons who may combine for the purpose of mutual assistance in periods of unemployment. The actual administration of the plan is a function of the individual "Unemployment funds", while the government exercises a general supervision over their operation.

Contributions and benefit payments are regulated generally by the individual unemployment insurance groups. Where the trade union is the insurance carrier, contributions are collected simultaneously with union membership dues. The payment of the government subsidy is regulated by law as is the payment of advances on account of the government subsidy. Government contributions paid as a subsidy to approved "unemployment funds" are expressed either as a proportion of the contributions collected from the members of individual "funds" or as a percentage of the benefits paid by the "funds".

In the various laws providing for voluntary insurance systems, coverage is usually expressed as "persons entitled to government subsidy". Under these systems, the benefits paid to persons entitled to government subsidy are taken into consideration in the payment of the government contributions to the individual "unemployment funds". These "funds" must meet certain requirements in order to be eligible for government subsidies.

None of the countries having voluntary schemes nominally covering agricultural workers provide any limitation in regard to coverage of workers in certain size classes of establishments. However, as they are based on the existence of some organization of agricultural workers as carriers of unemployment insurance, the practical benefits under such nominal coverage is obviously restricted.

Voluntary unemployment insurance funds of some importance exist only in Czechoslovakia, Denmark and the Netherlands. In Czechoslovakia, the government grants supplementary benefits to unemployed trade union members if the latter are eligible to receive trade union unemployment benefits. In 1930, about 128,000 Czechoslovakian workers in agriculture and forestry were organized in trade unions and the great majority of these are believed ^{1/} to have been insured against unemployment. Normally, seasonal workers are not entitled to the government subsidy, but the government is authorized to extend the operation of the unemployed insurance law to particular groups of seasonal workers. Similarly, persons performing work occasionally or as subsidiary occupation are not entitled to the government grant. ^{2/}

In Denmark, persons engaged in agriculture, among others, are eligible to receive supplementary unemployment benefits from the government if they are combined for the purpose of providing mutual assistance through an established and recognized contributory unemployment insurance fund. In order to obtain and retain recognition, a "fund" must have at least 100 members from one or more specified occupations and must cover at least one province.

1/ International Labour Office, Unemployment Insurance and Various Forms of Relief for the Unemployed, International Labour Conference, 17th Session, Geneva, 1933, p. 39.

2/ Franz Huber, Abstract of Unemployment Insurance Legislation in European Countries, prepared for the Committee on Social Security in the Social Science Research Council, May 1938, Vol. 1, pp 118-119.

With respect to funds which include large numbers of seasonal workers among their full members, the Ministry of Social Affairs in Denmark may rule that a) the benefits should not be paid during specified seasons of the year when unemployment is customary or that b) benefit should not be paid to such persons until they have served a longer waiting period than is provided for regular workers. It has been estimated that in 1933 unemployment insurance in Denmark covered about 12,000 agricultural workers. 1/

Under the voluntary unemployment insurance law of the Netherlands, all members of "unemployment funds" of associations of workers are covered. Such funds must be raised by contributions of the members and be used for allowances in case of involuntary unemployment. "Unemployment funds" are subsidized by the central government and by the communes if the rules of such "funds" are approved by the Department of Employment Service and Unemployment Insurance in the Ministry of Social Affairs. No minimum membership requirements for a "fund" are stated in the law as a condition for such approval. Seven voluntary insurance funds for agricultural and horticultural workers, estimated to comprise 34,000 members, were in existence in this country in 1933. 2/

In France, Spain and Sweden permission to enter a voluntary insurance system appears not to have been used to any large extent by agricultural workers. In France, two unemployment funds for agriculture existed in 1928

1/ I.L.O., Op.cit., p. 39.

2/ I.L.O., Op. cit., p. 39.

but the number of agricultural workers in them was very small - about 300 members. Neither in Norway nor in Finland has use been made of the statutory right to establish insurance funds for agricultural or forestry workers. ^{1/}

In Switzerland, the laws of the Cantons provide for voluntary unemployment insurance and also enable the communes to declare the insurance compulsory for their territory. However, with the exception of the Canton of Valais, agricultural workers, among others, are exempted from the scope of their laws. In the Canton of Valais, the law provides that if a commune introduces compulsory insurance in its territory this insurance must also cover agriculture.

^{1/} I.L.O., Op. cit., p. 39.